

JUSTICE CENTRE HONG KONG LIMITED
(Incorporated in Hong Kong with liability limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2016

JUSTICE CENTRE HONG KONG LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of Justice Centre Hong Kong Limited (the "Association") for the year ended 30 June 2016.

Principal activity

The principal activity of the Association is safeguarding the rights and well-being of refugees in Hong Kong.

Results

The results of the Association for the year ended 30 June 2016 are set out in the income statement on page 5.

Directors

The directors during the year and up to the date of this report were:

Thai MACDONALD	
Cecilia FABRIZIO	
Jennifer Ruth SUTTON	
Patricia Jane MEECHAM	
Susan Gai CAMPBELL	(appointed on 30 March 2016)
Fiona MCDONALD	(appointed on 30 March 2016)
Karen Fiona TAYLOR	(appointed on 30 March 2016)
Bruce Ting Wai WONG	(appointed on 30 March 2016)
Alexander Richard TREVES	(appointed on 28 October 2016)
Vanina Alexander HUARD DE VERNEUIL	(appointed on 31 October 2016)
Kit Ping Au Yeung	(appointed on 1 December 2016)
William Davis LUSK, JR	(resigned on 30 March 2016)
Kok Wai Benny LIM	(resigned on 24 August 2016)
Robert ASHING	(resigned on 24 August 2016)
Farzana Ann ASLAM	(resigned on 28 October 2016)
Aasha Christine PAI	(resigned on 31 October 2016)

Directors' interests

No contracts of significance in relation to the Association's business to which the Association or any of its related companies was a party and in which a director of the Association had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Association, or any of its related companies a party to any arrangement to enable the directors of the Association to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Association or its associated corporations.

JUSTICE CENTRE HONG KONG LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

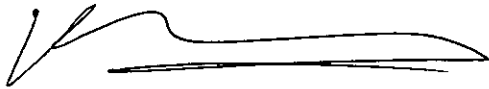
Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Association were entered into or existed during the year.

Auditors

PROCON CPA Limited retired and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PROCON CPA Limited as the Company's auditors is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'Karen Fiona TAYLOR', written over a horizontal line.

Karen Fiona TAYLOR
Chairman

Hong Kong, 20 February 2017



PROCON CPA Limited, Certified Public Accountants

博爾會計師有限公司

Managing Director: Eric Choy

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF JUSTICE CENTRE HONG KONG LIMITED
(Incorporated in Hong Kong with limited liability by guarantee)**

Report on the financial statements

We have audited the financial statements of Justice Centre Hong Kong Limited (the "Association") set out on pages 5 to 12, which comprise the statement of financial position as at 30 June 2016, and the income statement and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Association are responsible for the preparation of financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with the Hong Kong Companies Ordinance (Cap.622), and for no other purpose. We do not assume responsibility towards and accept liability to any other person for the content of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard" issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



PROCON CPA Limited, Certified Public Accountants

博爾會計師有限公司

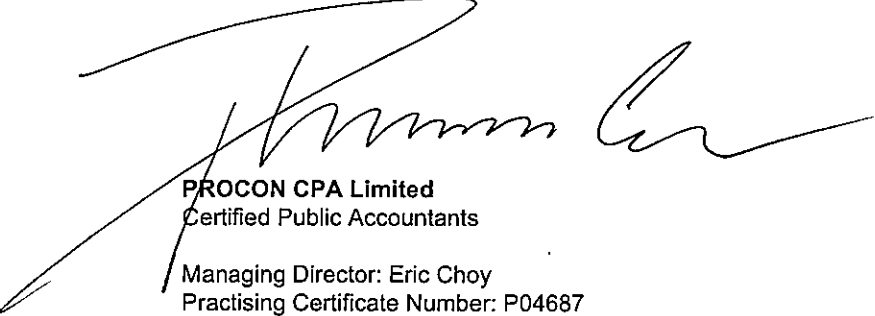
Managing Director: Eric Choy

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF JUSTICE CENTRE HONG KONG LIMITED**
(Incorporated in Hong Kong with limited liability by guarantee)
(Continued)

Opinion

In our opinion, the financial statements of the Association for the year ended 30 June 2016 are prepared, in all material respects, in accordance with the SME-FRS and have been properly prepared in compliance with the Hong Kong Companies Ordinance.



PROCON CPA Limited
Certified Public Accountants

Managing Director: Eric Choy
Practising Certificate Number: P04687

Hong Kong, 20 February 2017

JUSTICE CENTRE HONG KONG LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 HK\$	2015 HK\$
Revenue – donation income		6,001,363	4,954,121
Other income	2	9,795	18
General and administrative expenses		<u>(6,109,176)</u>	<u>(5,239,898)</u>
Deficit for the year	3	<u>(98,018)</u>	<u>(285,759)</u>


The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

JUSTICE CENTRE HONG KONG LIMITED

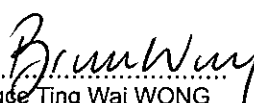
**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	Note	2016 HK\$	2015 HK\$
Non-current asset			
Property, plant and equipment	6	650,896	348,684
		<hr/>	<hr/>
Current assets			
Deposits and prepayments		181,461	169,972
Accounts receivable		235,000	460,923
Cash and cash equivalents		1,729,938	1,617,052
		<hr/>	<hr/>
		2,146,399	2,247,947
		<hr/>	<hr/>
Less: Current liability			
Accruals and other payables		77,552	8,870
Receipt in advance		230,000	-
		<hr/>	<hr/>
		307,552	8,870
		<hr/>	<hr/>
Net Current Assets		1,838,847	2,239,077
		<hr/>	<hr/>
NET ASSETS		2,489,743	2,587,761
		<hr/> <hr/>	<hr/> <hr/>
Funds			
Retained surplus	8	2,489,743	2,587,761
		<hr/> <hr/>	<hr/> <hr/>

Approved on behalf of the Board by:



 Karen Fiona TAYLOR
 Director



 Bruce Ting Wai WONG
 Director

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

JUSTICE CENTRE HONG KONG LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 HK\$	2015 HK\$
Deficit for the year		(98,018)	(285,759)
Adjusted for non-operating and non-cash items:			
Interest income		(15)	(18)
Depreciation		132,455	113,978
Loss on disposal of fixed assets		2,505	-
Changes in working capital:			
Decrease in accounts receivable		225,923	292,577
Increase in deposits and prepayments		(11,489)	(66,251)
Increase / (Decrease) in accruals and other payables		68,682	(3,100)
Increase in receipt in advance		230,000	-
Net cash from operating activities		<u>550,043</u>	<u>51,427</u>
Investing activities			
Payment for purchase of property, plant and equipment	6	(437,172)	(47,374)
Interest received		15	18
Net cash used in investing activities		<u>(437,157)</u>	<u>(47,356)</u>
Net increase in cash and cash equivalents		112,886	4,071
Cash and cash equivalents at the beginning of the year		<u>1,617,052</u>	<u>1,612,981</u>
Cash and cash equivalents at the end of the year	7	<u><u>1,729,938</u></u>	<u><u>1,617,052</u></u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

JUSTICE CENTRE HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

Reporting entity

Justice Centre Hong Kong Limited (the "Association") is a company incorporated in Hong Kong with liability limited by guarantee. Under the provisions of the Association's Memorandum and Articles of Association, every member shall, in the event of the Association being wound up, contribute to the assets of the Association to the extent of HK\$100. As at 30 June 2016, the Association had 10 members (2015: 10 members).

The Association's registered office is located at L1, The Sparkle, 500 Tung Chau Street, West Kowloon, Hong Kong. The principal activity of the Association is safeguarding the rights and well-being of refugees in Hong Kong on a non-profit making basis.

1 Basis of preparation and accounting policies

The Association qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap.622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably, on the following bases:

- (i) income from donations is recognised when the donations are received or receivable; and
- (ii) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

(b) Foreign exchange

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

JUSTICE CENTRE HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

1 Basis of preparation and accounting policies (continued)

(c) Taxation

The Association being a charitable institution or trust of a public character is exempt from tax under Section 88 of the Inland Revenue Ordinance with effect from 10 November 2008.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Leasehold improvements	20%
Furniture and fixtures	20%
Office equipment	20%

(e) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, long-term investments and other asset. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

(f) Operating leases (as the lessee)

Lease where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

(g) Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

JUSTICE CENTRE HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

2 Other income

An analysis of the Association's other income is as follows:

	2016 HK\$	2015 HK\$
Other income		
Exchange gain, net	9,780	-
Interest income	15	18
	<u>9,795</u>	<u>18</u>

3 Deficit before tax

Deficit before tax is arrived at:

	2016 HK\$	2015 HK\$
After charging the following item:		
Depreciation of property, plant and equipment (Note 6)	132,455	113,978
Exchange loss, net	-	29,746
Operating leases in respect of leasehold land and buildings	653,940	383,484
Staff costs (including directors' emoluments) (Note 4)		
- salaries	3,282,418	3,040,830
- pension costs – defined contribution plan	139,713	129,897
	<u>3,282,418</u>	<u>3,040,830</u>

4 Benefits and interest of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G))

(a) Directors' emoluments

The directors did not receive or will not receive any fees or other emoluments in respect of their services to the Association during the year (2015: Nil).

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year (2015: Nil).

JUSTICE CENTRE HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

4 Benefits and interest of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) (Continued)

- (c) During the year ended 30 June 2016, the Association does not pay or receive consideration to / from any third parties for making available the services of a person as director or in any other capacity while he was director (2015: Nil).
- (d) As at 30 June 2016, there are no loans, quasi-loans and other dealings in favour of directors, body corporate controlled by and entities connected with such directors (2015: Nil).
- (e) No significant transactions, arrangements and contracts in relation to the Association's business to which the Association was a party and in which a director of the Association had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2015: Nil).

5 Income tax expense

The Association being a charitable institution or trust of a public character is exempt from tax under Section 88 of the Inland Revenue Ordinance with effect from 10 November 2008.

6 Property, plant and equipment

	Leasehold improvements HK\$	Furniture and fixtures HK\$	Office equipment HK\$	Total HK\$
Cost				
At 1 July 2015	276,180	62,658	247,228	586,066
Additions	-	96,282	340,890	437,172
Disposal	-	(12,533)	-	(12,533)
At 30 June 2016	<u>276,180</u>	<u>146,407</u>	<u>588,118</u>	<u>1,010,705</u>
Accumulated depreciation				
At 1 July 2015	115,070	25,519	96,793	237,382
Charge for the year	55,234	16,063	61,158	132,455
Written back on disposal	-	(10,028)	-	(10,028)
At 30 June 2016	<u>170,304</u>	<u>31,554</u>	<u>157,951</u>	<u>359,809</u>
Net book value				
At 30 June 2016	<u>105,876</u>	<u>114,853</u>	<u>430,167</u>	<u>650,896</u>
At 30 June 2015	<u>161,110</u>	<u>37,139</u>	<u>150,435</u>	<u>348,684</u>

JUSTICE CENTRE HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

7 Cash and cash equivalents

	2016 HK\$	2015 HK\$
Cash at bank and in hand	1,729,938	1,617,052
Cash and cash equivalents in the cash flow statement	<u>1,729,938</u>	<u>1,617,052</u>

8 Changes in funds

	Retained Surplus HK\$
Balance as at 30 June 2015	2,587,761
Deficit for the year	(98,018)
Balance as at 30 June 2016	<u>2,489,743</u>

9 Commitments under operating leases

The Association had the following total future minimum lease payments payable under non-cancellable operating leases:

	2016 HK\$	2015 HK\$
Not later than one year	653,940	653,940
Later than one year	544,950	1,198,890
	<u>1,198,890</u>	<u>1,852,830</u>

10 Approval of financial statements

The financial statements were authorised for issue by the Association's board of directors on 20 February 2017.

